

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re:

FRANCHISE GROUP, INC., *et al.*,¹

Debtors.

Chapter 11

Case No. 24-12480 (JTD)

(Jointly Administered)

Ref. Docket No. 13

**CERTIFICATION OF COUNSEL REGARDING *REVISED PROPOSED*
FIRST OMNIBUS ORDER, PURSUANT TO SECTIONS 105(a), 365(a), AND 554 OF
THE BANKRUPTCY CODE, AUTHORIZING THE DEBTORS TO (I) REJECT
CERTAIN (A) UNEXPIRED LEASES OF NONRESIDENTIAL REAL PROPERTY,
(B) UNEXPIRED LEASES OF NONRESIDENTIAL NON-REAL PROPERTY, AND
(C) EXECUTORY CONTRACTS, EFFECTIVE AS OF THE PETITION DATE;
AND (II) ABANDON PERSONAL PROPERTY**

On November 3, 2024, the debtors and debtors in possession in the above-captioned cases (collectively, the “Debtors”) filed the *Debtors’ First Omnibus Motion for Entry of an Order, Pursuant to Sections 105(a), 365(a), and 554 of the Bankruptcy Code Authorizing the Debtors to*

¹ The Debtors in these Chapter 11 Cases, along with the last four digits of their U.S. federal tax identification numbers, to the extent applicable, are Franchise Group, Inc. (1876), Freedom VCM Holdings, LLC (1225), Freedom VCM Interco Holdings, Inc. (2436), Freedom Receivables II, LLC (4066), Freedom VCM Receivables, Inc. (0028), Freedom VCM Interco, Inc. (3661), Freedom VCM, Inc. (3091), Franchise Group New Holdco, LLC (0444), American Freight FFO, LLC (5743), Franchise Group Acquisition TM, LLC (3068), Franchise Group Intermediate Holdco, LLC (1587), Franchise Group Intermediate L, LLC (9486), Franchise Group Newco Intermediate AF, LLC (8288), American Freight Group, LLC (2066), American Freight Holdings, LLC (8271), American Freight, LLC (5940), American Freight Management Company, LLC (1215), Franchise Group Intermediate S, LLC (5408), Franchise Group Newco S, LLC (1814), American Freight Franchising, LLC (1353), Home & Appliance Outlet, LLC (n/a), American Freight Outlet Stores, LLC (9573), American Freight Franchisor, LLC (2123), Franchise Group Intermediate B, LLC (7836), Buddy’s Newco, LLC (5404), Buddy’s Franchising and Licensing LLC (9968), Franchise Group Intermediate V, LLC (5958), Franchise Group Newco V, LLC (9746), Franchise Group Intermediate BHF, LLC (8260); Franchise Group Newco BHF, LLC (4123); Valor Acquisition, LLC (3490), Vitamin Shoppe Industries LLC (3785), Vitamin Shoppe Global, LLC (1168), Vitamin Shoppe Mariner, LLC (6298), Vitamin Shoppe Procurement Services, LLC (8021), Vitamin Shoppe Franchising, LLC (8271), Vitamin Shoppe Florida, LLC (6590), Betancourt Sports Nutrition, LLC (0470), Franchise Group Intermediate PSP, LLC (5965), Franchise Group Newco PSP, LLC (2323), PSP Midco, LLC (6507), Pet Supplies “Plus”, LLC (5852), PSP Group, LLC (5944), PSP Service Newco, LLC (6414), WNW Franchising, LLC (9398), WNW Stores, LLC (n/a), PSP Stores, LLC (9049), PSP Franchising, LLC (4978), PSP Subco, LLC (6489), PSP Distribution, LLC (5242), Franchise Group Intermediate SL, LLC (2695), Franchise Group Newco SL, LLC (7697), and Educate, Inc. (5722). The Debtors’ headquarters is located at 109 Innovation Court, Suite J, Delaware, Ohio 43015.

(I) Reject Certain (A) Unexpired Leases of Nonresidential Real Property, (B) Unexpired Leases of Nonresidential Non-Real Property, and (C) Executory Contracts, Effective as of the Petition Date; and (II) Abandon Personal Property [Docket No. 13] (the “Motion”). A proposed form of order approving the Motion was attached to the Motion as Exhibit A (the “Proposed Order”). Appended to the Proposed Order as Schedule 1 was a schedule of the rejected real property leases (the “Rejected Real Property Lease Schedule”) and appended to the Proposed Order as Schedule 3 was a schedule of the rejected executory contracts (together with the Rejected Real Property Lease Schedule, the “Schedules”).

The deadline to file objections or otherwise respond to the Motion was set as November 19, 2024 at 4:00 p.m. (ET) (the “Objection Deadline”), as may have been extended for certain parties. Prior to the Objection Deadline, the Debtors received informal comments to Proposed Order from (i) Gexa Energy LP (“Gexa”); (ii) Eternia, LLC (“Eternia”); and (iii) the Official Committee of Unsecured Creditors (the “Committee” and, collectively with Gexa and Eternia, the “Respondents”)

To resolve the Respondents’ comments, the Debtors have agreed to revise the Proposed Order (and the Schedules attached thereto), as reflected in the revised Proposed Order attached hereto as Exhibit A (the “Revised Proposed Order”). For the convenience of the Court and other interested parties, a blackline comparing the Revised Proposed Order against the Proposed Order is attached hereto as Exhibit B.

WHEREFORE, the Debtors did not receive any objections or responses other than those described herein, and the Respondents do not object to entry of the Revised Proposed Order, the Debtors respectfully request that the Court enter the Revised Proposed Order without further notice or a hearing at the Court’s earliest convenience.

Dated: December 5, 2024
Wilmington, Delaware

**YOUNG CONAWAY STARGATT & TAYLOR,
LLP**

/s/ Shella Borovinskaya

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